

4.28 Short term rental property (STRP)

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4.28.010 Chapter.

This chapter shall be known, cited, and referenced to as the "Short Term Rental Property" (STRP) chapter.

4.28.020 Authority.

This chapter is adopted by the city pursuant to its authority under the laws of the state, the Bloomington Municipal Code (BMC), and all other applicable authorities and provisions of state statutory and common law.

4.28.030 Purpose.

This chapter is adopted for the following purposes:

- A. To promote entrepreneurship and business through the provision of additional tourism opportunities.
- B. To maintain the availability of affordable housing and stabilize rental prices.
- C. To ensure public health, safety, and welfare insofar as they are affected by the continued occupancy and maintenance of structures and premises used as a STRP.
- D. To protect the character and stability of the city, particularly its residential neighborhoods and its downtown.
- E. To assist in the elimination of blight, to promote maintenance of property, and to thereby ensure public health, safety, and welfare.

- F. To regulate and license the commercial business of letting STRPs to ensure the stability of housing stock and lodging establishments.

4.28.040. Jurisdiction.

This Short Term Rental Property chapter shall apply to all STRPs located within the corporate boundaries of the city.

4.28.050 Severability.

If a section, subsection, sentence, clause, or phrase of this chapter is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this chapter.

4.28.060 General Standards.

- A. The STRP operator shall be responsible for compliance with this chapter.
- B. If any provisions in this chapter can be construed to be in conflict with provisions of the City of Bloomington Unified Development Ordinance, the more restrictive provision shall apply.
- C. Repairs, maintenance work, alterations, or installations which are caused directly or indirectly by the enforcement of this chapter shall be executed and installed in a workmanlike manner and installed in accordance with the manufacturer's installation instructions and all state and local codes.
- D. Requirements necessary for the strength, stability, or proper operation of an existing fixture, structure, or equipment, within a STRP or for the public safety, health, and general welfare, not specifically covered by this chapter, shall be determined by the Director. To further this goal the Director may require documentation from a licensed person or firm, or a person with particular knowledge or skills, to render a determination on strength, stability, or proper operation of a feature within a STRP.

4.28.070 Planning and Transportation Department.

- A. The Planning and Transportation Department shall be responsible for the enforcement of this chapter.
- B. An official or employee connected with the enforcement of this chapter, except one whose only connection is that of a member of the board of public works as established in Title 2 of the BMC, shall not be engaged in, or directly or indirectly connected with, the furnishing of labor, materials, or appliances for the maintenance of a STRP unless that person is the owner of the STRP or has filed a uniform conflict of interest statement pursuant to the Indiana Code Section 35-44-1-3; nor shall such officer or employee engage in any work that conflicts with official duties or with the interests of the city.

4.28.080 Director.

- A. The Director of the Planning and Transportation Department, and his or her designees, shall enforce the provisions of this chapter.

- B. The Director shall have authority as necessary in the interest of public health, safety, and general welfare, to adopt and promulgate rules and procedures; to interpret and implement the provisions of this chapter; and to secure the intent thereof. Such rules shall not have the effect of waiving requirements specifically provided for in this chapter or the Indiana Code, or of violating accepted engineering methods involving public safety.

4.28.090 Definitions.

“Bed and breakfast” has the same definition as stated in BMC Section 20.11.020.

“Department” means the Planning and Transportation Department.

“Director” means the Director of the Planning and Transportation Department, or his or her designees.

“Full-time vacation home” means any dwelling unit let exclusively for periods of thirty or fewer days with no permanent resident occupying the dwelling unit as his or her primary residence. Short term rental properties, bed and breakfast establishments, boarding houses, hotels, motels, residential rental units, rooming houses, and lodging establishments shall not be considered full-time vacation homes.

“Lodging establishment” has the same definition as stated in BMC Section 16.02.020.

“Multi-family dwelling” has the same definition as stated in BMC Section 16.02.020.

“Premises” has the same definition as stated in BMC Section 16.02.020.

"Residential rental unit" means any dwelling unit, rooming house, or rooming unit occupied by a person(s) other than the owner and/or their legal dependent, and includes cooperative housing arrangements. This definition of “residential rental unit,” for purposes of this chapter only, supersedes any definition of the term in Title 16 of the BMC. The following occupancy arrangements are excluded from the definition of “residential rental unit” unless the arrangements are created to avoid application of this chapter:

1. Occupancy in a residential rental unit owned by Indiana University;
2. Occupancy by a member of a fraternal or social organization in the portion of a structure operated for the benefit of said organization, provided the structure itself is owned by a nonprofit organization generally associated with the fraternal or social organization;
3. Occupancy by the purchaser of a dwelling unit under a contract for sale, provided the contract for sale is properly recorded with the county;
4. Occupancy in a lodging establishment;
5. Occupancy in a rectory or parsonage by a person(s) generally assumed to occupy such a dwelling;
6. Occupancy in a residential care facility or group home, provided said facility or home is licensed and inspected by the state;
7. Owners who reside in a dwelling unit but who wish to lease to individuals or a family while they are absent from the city for short periods of time, not to exceed one year, but exceeding thirty days, and who intend to return to their dwelling unit at the expiration of the lease period; and

8. Owners who occupy the premises, rent to one tenant for more than thirty days, and share common bathroom and kitchen facilities with said tenant.

“Rooming house/single-room occupancy” has the same definition as stated in BMC Section 16.02.020.

“Short term rental property” (STRP) means a dwelling unit that is let for occupancy for thirty or fewer days and operated by a permanent resident occupying the dwelling unit as his or her primary residence. Dwelling units rented to the same occupant for more than thirty continuous days, full-time vacation homes, bed and breakfast establishments, boarding houses, hotels, motels, residential rental units, rooming houses, and lodging establishments shall not be considered short term rental property.

“STRP operator” means any person who is the owner of record of residential real property, or any person who is a lessee of residential real property pursuant to a written agreement for the lease of such real property, who offers a dwelling unit, or portion thereof, for short term occupancy.

“Permanent resident” means a person who occupies the STRP for at least sixty (60) consecutive days, with the intent to establish that dwelling as that person’s primary residence. A permanent resident may be an owner or lessee.

“Primary residence” means a permanent resident’s usual place of return for housing as documented by motor vehicle registration, driver’s license, voter registration, tax documents showing the unit as the permanent resident’s residence for purposes of a home owner’s tax exemption, or other such evidence. A person may have only one primary residence.

“Principal renter” means the individual who purchases the use of an STRP.

4.28.100 Permit Required.

- A. No person or entity shall operate a STRP or advertise a residential property for use as a STRP without the owner of the property, or other party with a possessory interest in the property, first having obtained a STRP permit issued by the Department.
- B. No STRP permit, or any other permit, shall be issued to full-time vacation homes.

4.28.110 Permits and Requirements.

A. Permit Application.

Application. The STRP permit application shall include the following:

1. The name, telephone number, address, and email address of the applicant; the number of bedrooms available to let; whether STRP includes exclusive or shared access to bathroom or kitchen spaces; and other information useful as determined by the Director, or his or her designee.
2. A certificate of insurance evidencing general liability insurance. General liability coverage shall have limits of not less than one million dollars per occurrence and two million dollars in the aggregate. The City of Bloomington shall be listed on the policy as a certificate holder or such other designation that ensures notification in the event of cancellation or modification of coverage.
3. If the STRP shares a common wall or a common parking area with another property owner, proof of written notification, on a form approved by the Director, to such neighboring property owner(s) prior to filing the application. If the STRP is a condominium and rental of the STRP includes access to a parking lot or similar common area shared with other condominium owners, proof of written notification to the associated condominium association is required.
4. A form signed by the STRP operator certifying that he or she is a permanent resident of the STRP and that the STRP is his or her primary residence.
5. Proof of registration as a retail merchant with the state of Indiana for purposes of sales tax remittance as documented by a Registered Retail Merchant Certificate or other such evidence.
6. Proof of registration with the Monroe County Treasurer for collection and remittance of the Monroe County innkeeper's tax as documented by forms provided by the office of Treasurer or other such evidence.
7. If the STRP is leased to the STRP operator, written permission from the property owner to let the property as a STRP, on a form approved by the Director, or a copy of the lease indicating no subleasing restrictions.
8. The permit application fee as defined by Section 4.28.120 of the BMC.

B. Inspection.

1. Before a STRP permit shall be issued the Planning and Transportation Department, or its designee, shall conduct an inspection of the property subject to the same requirements as a Title 16 cycle inspection, with the exception that re-inspections shall occur every two years to coincide with STRP permit renewal.
2. If an inspection has been conducted on the property under Title 16 of the BMC, and an occupancy permit issued under that title is still valid, a new inspection is not required.
3. In the course of the inspection of the property, if the STRP contains a fuel-fired furnace; a fuel-fired appliance; or a working and accessible gas fireplace, the STRP operator shall provide proof of a carbon monoxide inspection within twelve (12) months of the date of the permit application.

C. Requirements for STRP Operators and Renters.

1. A STRP may only be operated by a permanent resident of the property. The STRP shall be the primary residence of the STRP operator. If the property is not the primary residence of the operator and the operator is not a permanent resident of the property, then the property is being operated as a full-time vacation home, a use prohibited by the BMC.
2. All STRP renters shall abide by all applicable noise restrictions contained in Title 14 of the BMC.
3. No recreational vehicles, buses, or trailers shall be visible on the street or property in conjunction with the STRP use.
4. No food shall be prepared for or served to the renters by the STRP operator.
5. The principal renter of a STRP unit shall be at least eighteen years of age.
6. Maximum occupancy. The maximum number of unrelated adult occupants permitted to occupy a STRP property at any one time shall not exceed two more than the occupancy limit for the district where the STRP is located as established by Title 20 of the BMC. Simultaneous rental to more than one party under separate contracts shall not be allowed.
7. A copy of the STRP Permit shall be conspicuously posted in the STRP.
8. Expiration of permit. A STRP permit shall expire two years after it is issued.
9. STRP permits may be renewed upon the completion of an inspection by the Department, by payment of the permit renewal fee, as defined by Section 4.28.120 of the BMC, to the Department, and by submitting all proofs that would be required for a new STRP Permit.
10. The STRP operator shall be responsible for collecting and remitting all applicable room, occupancy, and sales taxes required by state law, including the Monroe County innkeeper's tax.
11. A STRP permit shall not be transferred or assigned to another individual, person, entity, or address, nor shall the permit authorize any person, other than the person named therein, to operate a STRP on the property.
12. Any advertisement for an STRP shall contain the STRP permit number issued for that location.
13. The STRP shall comply with the requirements listed in BMC Section 16.04.020.

4.28.120 Fees.

- A. Each applicant for a STRP permit shall submit the permit application fee of one hundred dollars (\$100) to the Planning and Transportation Department for the processing and issuance of an initial two-year permit.
- B. A STRP permit may be renewed every two (2) years thereafter upon the payment of the permit renewal fee of ten dollars (\$10) to the Department.
- C. Inspections conducted under this chapter shall have the same fee schedule as Section 16.03.080 of the BMC.
- D. All fees shall be deposited in the Unsafe Building Fund.

4.28.130 Denial or Revocation of Permit.

The Planning and Transportation Department shall, after notice and hearing by the board of public works, revoke, by written order, any permit issued hereunder if the board finds that:

- A. The STRP operator has violated any provision of this chapter or any rule or regulation lawfully made under and within the authority of this chapter;
- B. The STRP operator is conducting the business licensed under this chapter in a manner contrary to state or local code; or
- C. Any fact or condition exists which, if it had existed at the time of the original application for such license, would have permitted the Planning and Transportation Department to refuse originally to issue such permit.

Once a STRP permit has been revoked, no new permit shall be issued to the applicant for the same property or any other property for a period of two (2) calendar years from the date of the revocation.

4.28.140 Penalties and Enforcement.

A. Authority.

The Director of the Planning and Transportation Department, and his or her designees, are the designated enforcement officials with full authority to investigate, conduct inspections, accept registration forms, issue STRP permits, issue reports, and secure remedies, including but not limited to fines and injunctive relief for any violation of this chapter.

B. Penalties.

1. For purposes of this chapter, a violation shall be defined as a violation of or failure to comply with:
 - a. Any provision or requirement of this chapter;
 - b. Any condition, requirement, or commitment established with the approval of a variance issued by the state fire prevention and building safety commission; or
 - c. The required elements of the submission on the basis of which any STRP permit has been rendered hereunder.
2. Any violation, as defined in this chapter, shall be subject to the penalties and remedies provided herein and the city shall have recourse to any remedy available in law or equity.
3. Each day that any violation continues shall be considered a separate violation for purposes of the penalties and remedies specified in Section 4.28.130. A violation continues to exist until corrected and verified by the Director, or his or her designees. Correction includes, but is not limited to:
 - a. Cessation of an unlawful practice;

- b. Remediation of a violation;
 - c. Payment of fees or fines;
 - d. Vacancy of a STRP; and/or
 - e. Any other remedy acceptable to the city.
- 4. For purposes of issuing penalties and fines in accordance with this chapter, the following persons shall be considered responsible parties, with liability for fines and responsibility for the remediation of the violation:
 - a. Property owner;
 - b. STRP operator;
 - c. Any person with a possessory interest in the property; and/or
 - d. Any person who has caused the violation.
- 5. The city Legal Department may institute appropriate action to impose and collect fines, fees, and/or other penalties; to enforce or defend any action taken pursuant to Section 4.28.120; and to prevent, enjoin, abate, remove or correct any violation of or noncompliance with this chapter.
- 6. The remedies provided for in this chapter shall be cumulative, and not exclusive, and shall be in addition to any other remedies available in law or equity.
- 7. Any person, partnership, association, corporation, or STRP operator which violates any provision of this chapter, shall be subject to the following penalties:
 - a. Operating an STRP without a license
 - i. First offense: \$2500.00
 - ii. Second offense within any twelve-month period: \$5000.00
 - iii. Third offense or more within any twelve-month period: \$7500.00
 - b. Any other violation of this chapter
 - i. First offense: \$500.00
 - ii. Second offense within any twelve-month period: \$1000.00
 - iii. Third offense within any twelve-month period: \$2,000.00
 - iv. Fourth offense or more within any twelve-month period: \$7,500.00
- 8. Any person issued notice of violation of this chapter shall pay the total amount of the penalty to the city of Bloomington within ten (10) days of such notice, unless such notice is appealed in conformity with subsections (B)(9) and (B)(10) of this section.
- 9. All appeals of written findings of violations of this chapter must be filed in writing with the board of public works, on a form provided by said board, no later than ten days from the date of the notice of violation.
- 10. Fines associated with violations of this chapter must be contested in the Monroe County Circuit Courts.

